

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of) Docket No. 960786-TL
BellSouth Telecommunications,)
Inc.'s entry into interLATA)
services pursuant to Section 271)
of the Federal)
Telecommunications Act of 1996.)

FOURTH DAY - AFTERNOON SESSION

VOLUME 16

Pages 1699 through 1754

PROCEEDINGS: HEARING

BEFORE: JULIA L. JOHNSON, CHAIRMAN
SUSAN F. CLARK, COMMISSIONER
J. TERRY DEASON, COMMISSIONER
DIANE K. KIESLING, COMMISSIONER
JOE GARCIA, COMMISSIONER

DATE: Friday, September 5, 1997

TIME: Commenced at 9:00 a.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: Lisa Girod Jones, RPR, RMR

APPEARANCES:

(As heretofore noted.)

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CROSS EXAMINATION

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BY MS. KAUFMAN:

Q Thank you. Mr. Scheye, do you have Exhibit 31 there?

A Yes, I believe I do. Yes, I do. Thank you.

Q I want to first start with your response, the second sentence there, where it says, "BellSouth has the capability of generating a mechanized bill for all UNES except operator services and DA." Do you see that?

A Yes.

Q Mr. Scheye, you were on the stand Tuesday, weren't you?

A Yes, twice.

Q Do you recall Mr. Tye of AT&T discussing with you the bills that AT&T has received for unbundled network elements?

A Yes.

Q And I'm just going to go through a few Q and A's so we can establish that this was your testimony on Tuesday.

A Sure.

Q First question by Mr. Tye was: "Now Mr. Scheye, also as a part of unbundled network elements, there would be switching costs associated with this service; is that correct?"

1 Your answer was, "Yes, could be."

2 Mr. Tye asked you, "Okay. There is no
3 switching cost contained on these bills; is that
4 correct?"

5 Your answer: "Correct."

6 Mr. Tye next asks: "Is that because BellSouth
7 is unable currently to render an electronic bill for
8 switching of unbundled network elements; is that
9 correct?"

10 And your answer: "For the usage component we
11 were unable to. The offer, or for any carrier
12 purchasing it, we will either render a manual bill or
13 hold the usage until we can bill it electronically, and
14 apparently AT&T did not want the manual bill."

15 Was that your testimony on Tuesday?

16 A Yes, it was.

17 Q Now do you recall that I also discussed this
18 topic of billing for usage-sensitive UNEs with
19 Mr. Milner?

20 A I believe I was here when you did cross
21 examine him on that.

22 Q And I referred Mr. Milner to that same topic
23 in his direct testimony. And again, I'm just going to
24 read you a couple Q and A's. My first question on that
25 topic was: "And in that passage" -- referring to his

1 direct testimony -- "there you testify, do you not, that
2 BellSouth currently does not have the ability to
3 electronically bill for usage sensitive UNES; is that
4 right?"

5 His answer: "The term 'electronically' was
6 used yesterday. I prefer the term 'mechanically' to
7 imply something other than a manual process. But, yes,
8 that's correct."

9 My question: "So just to be clear, they don't
10 have the ability to bill electronically or in a
11 mechanized way for usage sensitive UNES at this point in
12 time?"

13 Mr. Milner's answer: "That's correct. For I
14 believe there are two unbundled network elements that
15 have a usage sensitive element as part of that charge,
16 that's correct."

17 And my final question: "You heard Mr. Scheye
18 testify yesterday, did you not, in the same vein, that
19 today you do not have the ability to provide a
20 mechanized bill for switching or transport, the usage
21 element?"

22 Mr. Milner's answer: "Yes, I heard that."

23 And is that your recollection of Mr. Milner's
24 testimony on that topic?

25 A Yes.

1 Q So as we look at that second sentence of
2 Exhibit No. 31, would you confirm for us today that it
3 still remains correct that BellSouth cannot render a
4 mechanized bill for the usage-sensitive portion of
5 either -- of switching or local transport?

6 A No. I think if you -- and let me go back a
7 little bit in time just for the couple days. This issue
8 came up to both Mr. Milner and myself in Kentucky a few
9 weeks ago. We both checked. We both had the same
10 information. That's why you got consistent answers from
11 both of us. We were told that the mechanized means for
12 billing the usage would be available probably about
13 middle of September; they were in the test process.

14 Apparently they had -- they moved that up and
15 it is now currently available. So it was a matter of
16 weeks, going one way or the other. And if you see in
17 the next sentence in this response it says, "As of
18 August 14th, BellSouth has the capability to bill the
19 usage elements." I think we may have a semantic
20 difference, which is probably the difference of roughly
21 a month.

22 The capacity is there. I don't believe a bill
23 has yet been rendered using that system. That's why
24 AT&T has not seen it, or any other carrier. So there is
25 a mechanized means by which usage can be billed. It was

1 my understanding up through a few weeks ago that that
2 would be available in the middle of September. The
3 system is obviously up and operating right now, but no
4 bill has been rendered.

5 Q So let me understand your testimony. Between
6 the time you took the stand on Tuesday and Mr. Milner
7 took the stand on Wednesday, and you gave the responses
8 that I recited earlier --

9 A Yes.

10 Q -- there has been a change. And now you have
11 information that you want to correct your and
12 Mr. Milner's testimony?

13 A I think clarified is probably -- correct or
14 clarify. As I said, Mr. Milner and I both checked
15 several weeks ago with these people. The information we
16 were both provided was the middle of September when a
17 bill would be able to be rendered. They were still in
18 the process of testing the system. Obviously they have
19 the system tested now, and as of the middle of August
20 they felt now that it is capable of rendering that
21 bill.

22 We were missing it probably by a day or two in
23 terms of the information we were getting, and we did not
24 check, neither Mr. Milner or I checked, after we had the
25 discussion -- I'm sorry, it was in Alabama. In the 271

1 hearing in Alabama, which was prior to the Kentucky
2 hearing, and this information was updated. So yes, it's
3 either to clarify or correct both our testimonies.

4 Q Did I hear you say, though, that you have not
5 rendered a bill using this system that you've discovered
6 is in existence since you testified on Tuesday?

7 A I knew it was in existence. I didn't think it
8 was going to be capable of rendering a bill until the
9 middle of September. I still believe, though, no bill
10 has actually been rendered using it.

11 Q I want to ask you about another billing
12 component, and I want you to look at the -- it's the
13 third sentence there that I think you referred to, "As
14 of August 14th," the sentence that begins that way?

15 A Yes.

16 Q Would I be correct that, as we sit here today,
17 that you do not -- BellSouth does not have the ability
18 to render a mechanized bill to a competitive entrant
19 that would display for that entrant the number, for
20 example, of terminating access minutes for each
21 interexchange carrier for which the entrant terminated
22 the call? For example, the terminating minutes say, for
23 MCI, for WorldCom, for AT&T?

24 A No, you would not be correct.

25 Q Your system has the capability to generate

1 of orders went into the hopper and they didn't end up in
2 these measurements; is that correct?

3 A No, sir, the hopper, as Mr. Canis and I were
4 discussing it, were orders that are simulated orders.
5 In other words, there's no CLEC involved in it.
6 Therefore, his concern was whether they were included
7 since there couldn't be a clarification going back to
8 the CLEC, since there's no CLEC involved in it.

9 MR. TYE: Madam Chairman, if I might have just
10 one minute. I've got some further cross, but it's going
11 to be on a different subject. (Pause)

12 Q (By Mr. Tye) Mr. Scheye, if you will now
13 refer over to your Exhibit 29, which I believe is the
14 one that Ms. Kaufman asked you about earlier. I'm
15 sorry, it's your Exhibit 31.

16 A Thirty-one, yes.

17 Q Now, I believe that you recall me asking you
18 questions about the ability to electronically bill for
19 usage in the switch last Tuesday; is that correct?

20 A Yes.

21 Q And I think your testimony was at that time
22 that -- well, when you talked to Ms. Kaufman a few
23 minutes ago, you thought at that time that it was --
24 that the capability was not there. You subsequently
25 determined that it was; is that correct?

1 A I thought when you cross examined me the other
2 day that the system that was going to be capable of
3 doing that was going to come up on line later this
4 month.

5 Q Now, when did you find out the information
6 that you've got contained now on Exhibit 31?

7 A It was -- should have been day before
8 yesterday or yesterday when we got back to the same
9 people and they gave us more current data. Like I said,
10 the last time I had checked was during the hearings in
11 Alabama, and we talked to these same folks then, and
12 that was the information they gave us then. They told
13 us they were proceeding. It was not at that time ready
14 to go operational. Obviously they thought it was going
15 to take about another month, and then they've obviously
16 accelerated the process significantly to have it
17 available now.

18 Q And when did you make that determination? It
19 was yesterday?

20 A Let's see, I believe these were Tuesday
21 evening, Wednesday evening. I'm trying to remember
22 which day. We got the late-filed question from Tuesday,
23 so it was probably last night, Wednesday.

24 Q Probably Wednesday night?

25 A I'm trying to keep my days straight. It was

1 either Wednesday night or Thursday night. Let's assume
2 Wednesday night.

3 Q And who were the folks you talked to to get
4 this information?

5 A I didn't talk to them personally, sir. They
6 were people in Birmingham, Alabama who are responsible
7 for our billing systems.

8 Q So who gave you the information?

9 A The people who talked to them directly while I
10 was --

11 Q Who were those people, Mr. Scheye?

12 A Mr. Lee from our regulatory department talked
13 to those people. Again, I believe it was Tuesday
14 evening or Wednesday evening.

15 Q So you haven't discussed this situation
16 personally with anyone; is that correct?

17 A I did not personally discuss it with these
18 people this time. As I said, I did talk to them when I
19 was in Alabama.

20 Q Mr. Scheye, do you recall the day that you
21 were on the stand, the day that I asked you the
22 questions about the electronic billing? Staff also
23 cross examined you that day; is that correct?

24 A Yes.

25 Q Do you -- and that was shortly after I cross

1 examined you that afternoon; is that correct?

2 A Yes.

3 Q Do you recall Ms. Barone or the Staff asking
4 you: "Particularly since there has been a bill
5 entered. Do you know whether BellSouth is capable of
6 providing mechanized billing for UNEs today?"

7 A I don't recall it, but I'll accept it.

8 Q Do you recall giving the answer: "I believe
9 we are, but, again, I can check, or you might be able to
10 ask the question of Ms. Calhoun"?

11 A Yes.

12 Q Mr. Scheye, doesn't that contradict the answer
13 you gave me that same afternoon, two days before you
14 checked with these folks?

15 A I don't believe so, not intentionally. Maybe
16 I misunderstood one of the questions, but I don't recall
17 any contradictions, sir.

18 Q Now, Mr. Scheye, according to the information
19 that you've submitted on the Late-filed Exhibit 31,
20 BellSouth has had this capability since August 14th; is
21 that correct?

22 A Yes.

23 Q Now, how many states have you testified in
24 since August 14th?

25 A This will be the second.

1 Q You testified in Alabama, did you not, or is
2 it Kentucky?

3 A Both. Seems like I got the information when I
4 was in Alabama, and then we went to Kentucky and then we
5 came here.

6 Q You got the information while you were in
7 Alabama?

8 A I called from Alabama, yes.

9 Q And you were told then that you can't do it?

10 A What they told me was they were in the
11 process, they were testing it, they estimated at that
12 point in time roughly a 1st of September capability.
13 And I being a slightly conservative said middle of
14 September, just in case.

15 Q So the middle of September was your number and
16 not the number that the folks in Atlanta gave you, or
17 Birmingham?

18 A Birmingham. They told me, couldn't give me a
19 precise date. They said first part of September, so
20 first part being the first half is the way I interpreted
21 that for discussion purposes.

22 Q Now you have not personally seen this system
23 in operation; is that correct?

24 A That's correct, sir.

25 Q And a bill has not yet been rendered; is that

1 correct?

2 A Not a live bill to my knowledge, that's
3 correct.

4 Q Now, you said that it had been tested -- it
5 had been tested by BellSouth; is that correct?

6 A The billing people told me they were in a test
7 mode with the operation. They were testing the
8 software.

9 Q Did they tell you this or Mr. Lee this?

10 A No, they told me that.

11 Q So does BellSouth test all of its billing
12 systems before it renders a bill?

13 A Does BellSouth -- I would believe so. I'm not
14 in the billing department, but that would seem logical
15 to me.

16 Q Does the -- so the bill that we looked -- you
17 and I talked about the other day, Exhibit 27, was also
18 tested at some point prior to being rendered; is that
19 correct?

20 A That billing arrangement, being on a trial
21 basis with AT&T and being somewhat of a unique bill, I
22 don't know what prior tests they did of any of it before
23 they rendered the bill to AT&T, since that was really a
24 unique bill not to go on line that way, since it had
25 been indicated, at least by BellSouth, that that would

1 not be the billing arrangement for that service once it
2 went live, if it did go live.

3 Q Is it correct, though, that since the bill has
4 not been rendered, no CLEC has had an opportunity to
5 test your ability to render this type of a bill?

6 A Are you talking about the usage bill again,
7 sir?

8 Q Yes, sir.

9 A That would be correct. They would not have
10 received a bill of that sort yet.

11 Q And there's no actual experience with respect
12 to this type of billing testing; is that correct?

13 A That's correct, sir.

14 Q Mr. Scheye, does BellSouth have a CLEC
15 organization?

16 A Does BellSouth?

17 Q Yes.

18 A BellSouth Corporation does.

19 Q Yes. BellSouth Corporation does; is that
20 correct?

21 A Yes, it does.

22 Q What's the name of that company?

23 A BellSouth BSE Incorporated.

24 Q Now is that company going to provide CLEC
25 service in competition, say, with GTE or Sprint or any